



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/557,040	04/21/2000	James S. Ellis	K35A0603	6502

26332 7590 09/27/2004

WESTERN DIGITAL CORP.
20511 LAKE FOREST DRIVE
C205 - INTELLECTUAL PROPERTY DEPARTMENT
LAKE FOREST, CA 92630

EXAMINER

AKERS, GEOFFREY R

ART UNIT	PAPER NUMBER
----------	--------------

3625

DATE MAILED: 09/27/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/557,040

Applicant(s)

ELLIS ET AL.

Examiner

Geoffrey Akers

Art Unit

3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-32 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. ____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. ____. |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date ____. | 6) <input type="checkbox"/> Other: ____. |

DETAILED ACTION

Response to Amendment

1. This action is issued in reply to applicant's Amendment filed 7/13/04.
2. Claims 1-32 are pending.

Claim Rejections - 35 USC § 103

3. Claims 1-10,12-25,27-32 are rejected under 35 USC 103(a) as being unpatentable over Hawkins(US Pat. No: 6,029,146) in view of "Should Publishers Consider Retail Revenue Sharing with Online Networks", Multimedia Wire; v5 n142; 24 July 1998(hereafter referred to as Multimedia) and Stolzoff(WO 00/75828).

.....

4.Applicant's invention presents claims for a system for executing buy orders for purchasing computer components. It is noted that analogous art in the same class and subclass as applicant's claimed invention includes prior art that discloses the invention or functionality as claimed by applicant's for various types of products and services which encompass computer and other types of electronic components.

5. Claims 1-10,12-25,27-32: Fees are old and well known in the art illustrating ownership and service provided at the time the invention was made, Fees might encompass providing monetary value to owners of an interest in products or services for the use or exchange of these products/services. The fees disclosed by Hawkins(col 14 lines 39-48(col 17 lines 42-46)(Fig 2/674) are consistent with these fees and illustrate

Art Unit: 3625

features of Hawkin's invention that are considered prior art and indication of ownership of shares.

Additionally, Multimedia teaches(page 1): "There is plenty of precedent in the entertainment business for revenue sharing models or compensation. The major broadcast networks pay cash to their affiliates as an incentive to carry network programming. Premium cable channels split the monthly subscription fees down the middle with large cable operators. Cable operators pay cable channels on a per sub basis for the right to carry programming but they can also sell advertising against the show. Title publishers have always contributed market development funds to retailers as much as 2% of invoice value to support promotion in the channel and store fronts"

Stolzoff teaches:

The assets selected from the group consisting of art work Intellectual property rights, real estate property rights, oil rights, mineral rights, and water C rights(Abstract).It is asserted that the term asset used by Stotzoff encompasses any type of property, equipment or other property or rights that have value and are transferable between potential owners including computer components. It is also asserted that the type of product being presented for sale does not provide patentability to the claimed invention.

The first preferred embodiment of this invention is a method for trading rights. The rights can be intellectual property rights, real estate property rights, oil rights, mineral rights, water rights, etc. Intellectual property rights include patents, trademarks, copyrights, trade secrets(page 5 lines 13-16).

Art Unit: 3625

- The first step of the method includes establishing a medium for selling the rights. The medium can be an Internet based company. This company brings together the owners of the rights and purchasers of the rights(Abstract)(page 5 lines 19-21)
- The second step of the method includes assessing the value of the rights that are to be sold(page 5 lines 22-23)
- The third and fourth steps of the method include dividing the rights into shares and deciding the percentage of shares to be sold. The percentages of shares to be sold can range from 0 to 100(page 6 lines 9-12).
- The fifth step includes selling the shares by direct auction through the Internet and as a result, the purchasers of the shares become shareholders(page 6 lines 12-13)
- Once shares are purchased dividends are distributed to the shareholders according to their percentage ownership(page 6 lines 15-18)
- periodically ascertaining which shareholder has a majority of the shares and allowing the majority shareholder to demand transfer of control and/or possession of the asset(Abstract)
- There are several methods for distributing dividends to shareholders. First, the controlling shareholder can pay cash in the amount proportional to the amount of shares held by the shareholder. Secondly, the controlling shareholder can pay with shares representing his own equity interest, thereby diminishing his own equity in the rights and increasing the equity interest in the rights of the shareholders. Lastly the controlling shareholder can pay dividends based on the amount of profits earned by exploitation of

Art Unit: 3625

the rights. Further the dividend can be paid in any combination of the three methods described above(page 6 line 19-page 7 line 3)

-Another step in the method includes ascertaining the shareholder with a majority of the shares in the rights. The last step of the method includes allowing the majority shareholder to demand transfer of control of the rights to the shareholder with the majority of shares or with another entity the majority shareholder desires to have control of the rights(page 7 lines 7-11)

The combination of Hawkins, Multimedia and Stotzoff teaches the following aspects of applicant's invention as identified in the disclosures above:

- an exchange server complex electrically connected to the network
- a plurality of investment instruments comprising shares of ownership interests in the exchange server complex at least one of the shares associated with the first or the second owner-processor thereby representing the ownership interests in the exchange server complex for the proprietor of the respective owner-processor
- accounting data representing allocation of net profits among the owner processors that are associate with the shares, the net profits being extracted from fees charges for transactions in the exchange server complex
- the network is electrically connectable to a plurality of owner processors where these processors having proprietors at least one proprietor having fan ownership interest on the computer component exchange
- calculating a fee for matching the buy order with the second owner-processor

Art Unit: 3625

- calculating a net profit resulting from charging the calculated fee
- apportioning the net profit based on the number of shares associated with each owner processor
- each of the plurality of owner-processors is capable of being associated with one or more shares representing the respective proprietors ownership in the exchange server complex at least a first owner-processor adaptable to transmit electronic buy orders through the network for purchasing products at least a second owner-processor adaptable to receive buy orders from the network

Hawkins further teaches receiving one or more buy orders from the first owner processor(col 3 line 48-col 4 line 3) and matching the one or more buy orders with a second owner processor(col 3 line 48-col 4 line 3) and charging the calculated fee to at least the first or second owner-processor or to both the first and second owner processor(col 14 lines 39-48)(col 17 lines 42-46) and updating the accounting database based on the apportioning of the net profit(Fig 12/600)(col 14 line 10-col 15 line 12).It would have been obvious at the time of the invention to combine the inventions of Hawkins, Multimedia and Stotzoff to explicitly teach applicant's claimed invention in combination with components of the invention that encompassed shares of ownership and monetary exchanges relating to ownership and calculating and charging fees and apportioning the net profit based on the number of shares associated with each owner processor as disclosed by the combination of Hawkins, Multimedia, Stotzoff for the motivation of compensating owners/systems for the exchange of products and services.

With respect to claims 2,3,19 Hawkins teaches providing incentives for the proprietors of each of the owner-processors to place or receive buy orders with the exchange server complex by associating one or more shares with the owner processors that place or receive a threshold number of buy orders(col 14 lines 10-55)(col 17 lines 42-46)

With respect to claim 4,20 Hawkins teaches withdrawing payment for the second owner processor from an electronic escrow account associated with the first owner-processor after the proprietor of the first owner-processor receives the computer components that the buy order was for(col 15 line 58-col 15 line 12)

With respect to claims 5,21 Hawkins teaches charging the calculated fee comprises electronically debiting a bank account associated with the first owner-processor(col 14 line 57-col 15 line 12)

With respect to claims 6,22 Hawkins teaches charging the calculated fee comprises electronically debiting a bank account associated with the second owner-processor(col 14 line 57-col 15 line 12)

With respect to claims 7,23 Hawkins teaches charging the calculated fee comprising electronically debiting a first bank account associated with the first owner processor and

Art Unit: 3625

a second bank account associated with the second owner-processor(col 14 line 57-col 15 line 12)

With respect to claims 8,32 Hawkins teaches apportioning comprises electronically crediting a bank account associated with each of the plurality of owner processors that are associated with shares based on the number of shares associated with each respective owner processor(col 17 lines 42-46).

With respect to claims 9,24 Hawkins teaches matching comprises matching a set of requirements in the buy order with the second owner processor if the second owner processor indicates that a proprietor of the second owner processor is able to supply computer components that meet the set of requirements(Abstract)(col 3 lines 27-38)

With respect to claims 10,25, Hawkins teaches the set of requirements are in an electronic commerce standard format(col 3 lines 27-38)

With respect to claims 12,27 Hawkins teaches referring either the first, second or both the first and second owner processors to a value added service(col 14 lines 39-48) as inferred through the charging of the value added tax and a shared commission

With respect to claims 13, 28 Hawkins teaches charging a referral fee to the value added service 2 after the step of referring(col 14 lines 39-38)

With respect to claims 14, 29 Hawkins teaches apportioning the fee received from the value added service as part of the net profit among the owner processors based on the number of shares associated with each owner-processor(Fig 21/641/642/643/645/646 /654/656) (col 14 lines 39-48)

With respect to claims 15 ,30 Hawkins teaches the value added service comprises a computer component shipping agent for providing transportation of the computer components that are for the buy order, the computer components being shipped from a proprietor of the second owner-processor to the proprietor of the first owner-processor(Fig 15/500/502/504/506/508/524/526)

With respect to claims 16,17,31 Hawkins teaches publishing statistics based on a plurality of buy orders received from a plurality of the owner processors that are each matched with at least one other owner processor, wherein the step of publishing comprises presenting an electronic ticker tape for display on an attached monitor of one or more of the owner processors for informing a proprietor of each respective owner processor of closing prices per unit by type of computer component in the latest buy order in time that was matched with an owner processor for each type of computer component(Fig 19/900/920)(Fig 22/302)(col 16 lines 8-19)

6. Claims 11,26 are rejected under 35 USC 103(a) as being unpatentable over Hawkins(US Pat. No: 6,029,146) in view of "Should Publishers Consider Retail Revenue Sharing with Online Networks" Multimedia Wire: v5, n142, 24 July 1998(Multimedia), in view of Stotzoff(WO 00/75828) and further in view of Plate(US Pat. Appl. Publ No: US 2001/0047322)

.....

7. Although Hawkins, Multimedia, Stotzoff do not specifically disclose the electronic commerce standard format comprises a bill of materials format as described by ROSETTANEDT, Hawkins does disclose an originating broker 100 that will transmit a message to an executing or regional broker 101 to buy or sell securities in the SWIFT MT502 format. The message will be transmitted from a user's workstation via the public data network(PDN) and will be stored on a host machine 102. The host 102 will store the message until the executing broker 101 manually connects to the host 102 and downloads the data. The data will then be presented to the regional broker 101 on his workstation in a combined MT502/MT5S18 format(col 7 lines 47-56). Furthermore, Plate teaches use of ROSETTANET (pg 4/0052). Preferably communication protocols are extensible markup language based and in the interests of interoperability and low cost of entry, conform to open standards such as those being developed by Rosetta Net or USS Net. Communication is conducted over 24/7 links in a zero downtime network. Participants systems should be similarly reliable. Therefore, it would have been obvious to one skilled in the art at the time of the invention was made to modify the disclosures of Hawkins, Multimedika, Stotzoff to explicitly format data including bills of material in a

format as described in ROSETTA NET as disclosed by Plate for the motivation of executing buy orders on a network in a compatible manner among trading partners.

Response to Arguments

8. Applicant's arguments are not persuasive. Stotzoff teaches rights in property can be intellectual property rights, real estate property rights, oil rights, mineral rights, water rights, etc. Intellectual property rights include patents, trademarks, copyrights, trade secrets (page 5 lines 13-16). This is a plurality of investment interests comprising shares of ownership interests. Stotzoff also teaches shares that are purchased have associated dividends that are distributed to the shareholders according to their percentage ownership (page 6 lines 15-18). Those dealing through the brokers possess and trade ownership interests (col 3 line 26-col 4 line 3).

Conclusion

9. THIS ACTION IS MADE FINAL.

10. Any questions concerning this communication should be addressed to the examiner of record, Dr. Geoffrey Akers, P.E., who can be reached between 6:30 AM and 5:00 PM Monday through Friday at 703-306-5844. If attempts to contact the primary examiner are unsuccessful, the primary examiner's superior, Mr. Vincent Millin, SPE, may be telephoned at (703)-308-1065.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703)-308-3687. Any inquiry of a general

Application/Control Number: 09/557,040

Page 12

Art Unit: 3625

nature or relating to the status of this application should be directed to the Group
receptionist whose telephone number is (703)-308-1113.

September 22, 2004



DR. GEOFFREY R. AKERS, P.E.
PRIMARY EXAMINER